

GAO Report GAO-14-584 (Published 30 July 2014): Factors DoD Considers When Choosing Best Value Processes Are Consistent With Guidance for Selected Acquisitions

Purpose: Per Congressional mandate, GAO was tasked to review DoD's use of best value processes during FY13. Specifically, GAO reviewed the factors DoD considers when choosing a source selection method and the training the DoD provides to its acquisition personnel on source selection processes.

IG Findings Summary

- DoD used either best value tradeoff or Lowest Price Technically Acceptable (LPTA) source selection processes for 93% of new, competitively awarded contracts with a value greater than \$1 million in FY13. LPTA does not permit trade-offs between price/cost and technical factors, with award being made to the offeror whose price is lowest among all proposals which are determined to be technically acceptable.
 - The tradeoff process was used most often in the service contracting area.
 - LPTA was used most often to acquire commercial products.
- Decisions over whether to use best value tradeoff or LPTA methods were found to be based upon the DoD's ability to clearly define requirements as well as knowledge of potential vendors in the marketplace.
 - LPTA was frequently used in situations where contracting personnel possessed sufficient knowledge of the requirements and vendors to be able to establish confidence that the lowest priced vendor could deliver the goods or services.
 - Best value tradeoff was frequently used in situations where contracting and program office officials were less certain about requirements, were looking for innovative solutions, or wanted to use non-cost factors to differentiate between vendors.
- DoD was found to be providing classroom and online training to acquisition personnel regarding the source selection process, through the Defense Acquisition University (DAU) and courses specific to military departments.
- DoD personnel, including DAU officials, emphasized the continued need for on-the-job training for personnel involved in the process of source selection to promote learning through experience.

Recommended Best Practices for Continued Success Across SPAWAR Claimancy:

1. Ensure that 1102s understand to use the LPTA process only when:
 - Risk is clearly definable and not susceptible to fluctuation during performance
 - Risk of unnecessary performance is minimal
 - Cost/Price plays a dominant role in the decision making process
2. Ensure that new hires to SPAWAR 2.0 are exposed to a variety of contracting situations to allow them to gain experiential knowledge regarding the source selection process. This knowledge will enable them to make sound business judgments when they are ultimately called upon to decide whether to apply best value tradeoff or LPTA methods during the evaluation phase of future contract actions.
3. Ensure that new hires to SPAWAR 2.0 continue to be required to take DAU courses focusing on the source selection process within their first two years of employment, including: CON 100 (Shaping Smart Business Arrangements); CON 121 (Contract Planning); CON 124 (Contract Execution); CON 280 (Source Selection and Administration of Service Contracts); CON 290 (Contract Administration and Negotiation Techniques in a Supply Environment).
4. Ensure continued learning opportunities for seasoned contracting personnel in SPAWAR 2.0 through DAU or other resources to provide refresher information and promote continued focus on the considerations which shape decision-making during contract planning and evaluation.
5. Continue to update online resources maintained by SPAWAR 2.0, including the SPAWAR Contracts Policy and Procedures Manual (SCPPM) and Contract Management Process Guide (CMPG), with information on the source selection process as any new guidance is issued.